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Bermuda

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I. General

1. Bermuda is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory is located in the western part of the Atlantic Ocean, about 917 kilometres east of the nearest continental shore, the North Carolina coast of the United States of America. The Territory, covering 57 square kilometres, consists of 8 major and 130 smaller islands. The largest is Great Island, or Main Island. Hamilton, the capital, and St. George's are the two main towns.

2. Bermuda was discovered by Spanish navigator Juan de Bermúdez in 1505. Bermuda remained uninhabited until 1609, when it was settled by a group of English colonists; in 1610 the first slaves were brought to work on the farms and to dive for pearls. The islands were administered under charter of the Virginia Company and successor companies, until the arrangement was dissolved in 1684 and government was fully assumed by the Crown. In 1620, the first Parliament was held after the Crown granted the colony limited self-government. In 1968, Bermuda was granted internal self-government and a new Constitution. In 1995, a referendum was held on the question of independence. Of the 58.8 per cent of eligible voters who participated, a small number by Bermudian standards, 73.6 per cent voted against independence. The then-opposition party had organized a boycott of the referendum among supporters of independence arguing that the issue should be resolved by general election.

3. In 2007, the population of Bermuda was estimated to be 68,500,¹ up from 62,059 during the 2000 census. Fifty-five per cent of the population is black, 34 per cent white, and the remaining 11 per cent mixed or other races, with an estimated annual growth rate of 0.58 per cent. The birth and death rates were 11.26 and 7.84 per thousand, respectively.² The Territory is the third most densely populated place in the world, with approximately 3,301 inhabitants per square mile, and with all of its population living in urban areas.¹

4. The Overseas Territories Act, which came into force in 2002, provides British citizenship to the peoples of its Territories, including Bermudians. That law allows Bermudians to hold British passports and to work anywhere in the European Union.

II. Constitutional, legal and political issues

5. The Constitution of Bermuda, adopted in 1968, was amended in 1973, 1979, 1989, 2001 and 2003. The Governor (and Commander-in-Chief) is appointed by the United Kingdom, after consultations with the Territory's Premier. The Governor is

Note: The information contained in the present working paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 e of the Charter of the United Nations.

¹ Statistics provided by the Bermuda Government, 4 February 2008, bermuda-online.org/bdagovt.htm.

² Central Intelligence Agency, *The World Factbook*, <https://www.cia.gov/>.

responsible for defence, external affairs, internal security and the police. The current Governor of Bermuda, Sir Richard Gozney, took office in December 2007.³

6. Bermuda has a parliamentary system of government. The Government comprises a Governor, a Deputy Governor, a Cabinet and a bicameral legislature, with a House of Assembly of 36 members directly elected for a five-year term and a Senate of 11 appointed members. Five members of the Senate are appointed by the Governor, on the advice of the Premier, three on the advice of the leader of the opposition and three by the Governor at his discretion. The Governor appoints as Premier the member of the House of Assembly who appears to him or her to be best able to command the confidence of a majority of the members of that House. The Premier heads a Cabinet that may not comprise more than 14 members of the legislature.⁴

7. Bermuda's law and legal system are based on English common law and principles of equity, English statute law (in force since 1612) and Acts of the Bermuda Parliament passed since then. The judiciary is a separate body from the Government, and its members are not elected but are appointed on the advice of the Chief Justice. There are three courts presiding in Bermuda, namely, the Magistrates' Court, the Supreme Court and the Court of Appeal.

8. There are two official political parties in the Territory. The Progressive Labour Party (PLP) was formed by the black majority in 1963. The United Bermuda Party (UBP) was formed in 1964, largely by the white population.⁴

9. In the 1998 general election PLP defeated UBP and took power for the first time in the 30 years since the party system began in 1968. The party was re-elected for a second five-year term in 2003. The current Premier, the Honourable Dr. Ewart Brown, took office on 30 October 2006, following his election as the leader of the governing PLP, replacing Alexander Scott in each capacity. During the latest general election, held on 18 December 2007, Dr. Brown was re-elected as Premier of Bermuda, with PLP retaining their majority of 22 of the 36 seats in the House of Assembly. The next general election is due to be held in 2012.

10. Voters in the general and other elections or referendums must be 18 years of age and Bermudian by birth or status, or non-Bermudian long-term residents who are citizens of the British Commonwealth and registered to vote annually since 1979. According to the administering Power, in the 2007 general election there were approximately 42,304 registered voters, about 66 per cent of the total population, an increase of 3,000 compared to the 2004 elections. Voter turnout was approximately 76 per cent, with the number of votes cast at 32,028.

11. In significant measures, racial divisions in Bermuda continue to be played out in the support for, or opposition to, independence and the method to be used to ascertain the wishes of the population on that question. The ruling PLP wants the issue of independence settled in the context of an election, while the opposition UBP favours using a referendum, as has been done in the past.

12. As previously reported, the Bermuda Independence Commission, set up in December 2004, issued an official report in August 2005.⁵ On the question of the

³ *The Royal Gazette*, 28 January 2008, www.royalgazette.com.

⁴ Information transmitted by the administering Power, 11 January 2007.

⁵ *Report of the Bermuda Independence Commission*, August 2005.

use of either a general election or a referendum to test public opinion on independence, the Commission concluded that it was incumbent upon both political parties to share the merits of each method.

13. In November 2005, the speech delivered by the Governor on the occasion of the opening of Bermuda's Parliament (known as the Speech from the Throne), reflected the position of the territorial Government that independence was a natural progression for a mature jurisdiction such as Bermuda.

14. The following year, in November 2006, the Governor in his Speech from the Throne,⁶ stated that Bermuda was unique and constitutionally advanced, economically sound and politically stable. Later that year, the Premier announced that independence was "not on the front burner" but that it was "still on the stove".⁷ The Governor made no mention of the independence issue in his Speech from the Throne in either 2007 or 2008.

15. A poll conducted in June 2007 by the Bermudian newspaper, the *Royal Gazette*, showed that Bermudians were more in favour of independence than ever before. The number of supporters had jumped to 34.7 per cent, 12 points higher than during a previous public poll in March 2007. Prior to the June 2007 poll, the highest amount of support for independence, 28 per cent, had been recorded in August 2005 — immediately after the Bermuda Independence Commission began its work to inform and educate the public about the pros and cons of becoming independent. The June 2007 poll also showed that the number opposed to independence had fallen to a new low of 54.7 per cent. Of those polled, 10.6 per cent were undecided on the issue.⁸

III. Budget

16. Bermuda's fiscal year begins in April. In the 2008/2009 budget statement, the Finance Minister said that the Territorial Government's national budget was set at 1.1 billion United States dollars (US\$).⁹ The planned budget for the provision of the essential raft of public services such as education, health, housing, law enforcement, transport, waste management and other services was estimated at US\$ 932 million. The capital expenditure programme has a proposed budget of US\$ 155 million, up from US\$ 141 million during the previous period.¹⁰

17. According to the budget for the 2008/2009 fiscal year, the territorial Government's proposed revenue is estimated at US\$ 985 million, about 7.5 per cent higher than the revenue estimate of US\$ 917 million in 2007/2008. Major sources of expected revenue are customs duty (US\$ 259.7 million), payroll taxes (US\$ 335.5 million), and land licence fees (US\$ 45 million).⁹ Additional revenue needed would partly come from a rise in fees and charges, including vehicle licences, and adjustments to a small number of tax rates, some of which have not been increased since 2001.

⁶ 2006 Throne speech, www.bermudasun.bm, 3 November 2006.

⁷ www.theroyalgazette.com, 30 November 2006.

⁸ *Ibid.*, 4 June 2007.

⁹ Budget statement, 2008/2009, www.gov.bm, 15 February 2008.

¹⁰ *Ibid.*, 2007/2008, www.gov.bm, 16 February 2007; and www.bermudasun.org, 16 February 2007.

18. On the expenditure side, the territorial Government anticipated the value to be US\$ 1,081 million. Some of the budget allocations include US\$ 14.3 million for labour, home affairs and housing; US\$ 14 million for health; and US\$ 13 million for education.⁹

19. According to the Finance Ministry's 2008/2009 budget statement, the most recent official data confirmed that 2006 had been an exceptionally good year for the Territory, with its economy expanding by 5.4 per cent, recording its strongest performance in 10 years. Economic indicators such as employment levels, visitor arrivals, visitor spending, international company growth and a balance-of-payment surplus position suggested that 2007 had been another year of strong growth. Bermuda's balance-of-payment accumulated US\$ 829 million over the first three quarters of 2007, representing a year-over-year increase in the range of 5 to 6 per cent. The good performance in the external sector was fuelled by sustained growth of the international business sector, with the Bermuda market continuing to attract new capital.

IV. Economic conditions

A. General

20. The official currency of Bermuda is the Bermuda dollar. On a one-to-one basis, the Bermuda dollar is pegged to the United States dollar.¹¹ In 2008/2009 Bermuda's gross domestic product (GDP) was estimated to reach US\$ 6 billion⁹ compared to US\$ 4,680 million in 2006, with the per capita GDP increasing from US\$ 76,400 (2005) to US\$ 83,935 by 2008, one of the highest in the world.¹² For 2008, Bermuda's GDP growth is forecast to be in the range of 2.5 to 3.0 per cent.⁹

21. According to the administering Power, the territorial Government continued to receive positive reports from external credit rating agencies on its management of the economy. In August 2006, Fitch Ratings upgraded Bermuda's long-term foreign currency issuer default rating to "AA+" from "AA". That rating was affirmed in September 2007 and Fitch Ratings considers the outlook for Bermuda as stable. The country ceiling has also been raised to "AAA" from "AA+". The 2006 report confirmed Bermuda's strengths as having a mature political system, stable macroeconomic environment and limited public debt, high per capita income and a dynamic international business community. At the same time, the report also noted that Bermuda is a small open economy, vulnerable to external shocks and susceptible to international regulatory pressures.⁴

22. In that connection, in the 2007/2008 budget statement,¹⁰ the Finance Minister stated that the territorial Government had consistently received excellent reviews from the major credit rating agencies on its debt management performance and its record of overall economic management.

¹¹ www.bermudasun.org, 27 February 2007; and www.eiu.com, 1 January 2007.

¹² <http://www.bermuda-online.org/economy.htm>, 5 February 2008.

B. Financial services

23. Bermuda is one of the world's leading offshore financial and business centres and is among the major jurisdictions worldwide in large-scale insurance and reinsurance. There is no central bank in the Territory. The Bermuda Monetary Authority is the regulatory authority for banks and trust companies.

24. Financial services continued to be the leading contributor to the growth of the national economy. That is especially true of the international business sector, which expanded by 4 per cent in 2007.

25. Bermuda's reputation has been built in part on providing a stable economic business environment, based on experienced management and underwriting staff, a history of timely payment of claims and a highly successful and adaptable regulatory framework. These characteristics continue to attract reputable businesses to the island.

26. In a sector-by-sector comparison, international business was the single largest provider of jobs in Bermuda's economy and generator of substantial levels of revenue to the Government. Its presence also has a positive influence on Bermuda's foreign exchange earnings.⁴

27. According to the latest data, there were more than 16,000 international companies, 2,551 local companies, 420 overseas partnerships and 840 other non-residents, many with a global business reach.¹³

28. In November 2007, the Foreign Affairs Committee of the United Kingdom House of Commons began a comprehensive inquiry into standards of governance, transparency and accountability, the role of governors and regulation of the financial sector for all 14 territories.¹⁴ The inquiry is scheduled to reach Bermuda in March 2008.¹⁵

C. Tourism

29. The 2008/2009 budget statement noted that tourist arrivals had grown by 4 per cent in 2007, giving rise to an increase in visitor spending on the island.⁹

30. A global forum of the world's top 100 tourism business leaders predicted in 2006 that demand created by Bermuda's tourism industry was set to double by 2016 to generate US\$ 2 billion in business. The number of jobs in the travel and tourism economy was predicted to increase from 7,000 in 2006 to 10,000 in 2016.¹⁶

31. The number of air arrivals for the first three quarters of 2007 totalled 243,294, reflecting a 2.8 per cent increase year-over-year, and the number of cruise ship arrivals totalled 551,511, reflecting a 5.2 increase year-over-year.

32. In 2008/2009 a hydrographic survey of ship channel and entrances will be conducted to complement the introduction of a second cruise ship pier at the Royal Naval Dockyard and assist in the future planning of Bermuda's cruise ship industry.

¹³ <http://www.bermuda-online.org/intbiz.htm>.

¹⁴ www.theroyalgazette.com, 17 October 2007.

¹⁵ *Ibid.*, 31 January 2008.

¹⁶ *Ibid.*, 27 June 2006.

According to the 2008/2009, budget US\$ 10 million was allocated for the second cruise ship pier at the Royal Naval Dockyard.

D. Construction

33. In contrast to robust growth in earlier years, construction was one of the few sectors that showed a reduction in jobs during 2007.⁹ Commercial and high-end residential properties and office buildings in the capital, Hamilton, however, remain the main drivers of construction activity, with demand specifically driven by the need for commercial office space from the financial and international business sectors.

34. The Ministry of Public Safety and Housing has a budget of US\$ 155.1 million for the 2008/2009 period that will finance a range of affordable housing options. According to the administering Power, to address the issue of homelessness, the territorial Government in recent years has launched a campaign of purchasing and renovating old properties to return them to suitable use; introduced "geared to income" rental housing; and promoted "life interest" sales of homes at discounted prices.⁴

35. Affordable housing for less well-off Bermudians continues to be of concern. Since 2007, according to the administering Power, the Government has worked with the private sector to generate progressive ways to finance new homes and encourage Bermudian landlords to get abandoned houses and empty apartments back into liveable condition and on the market for sale or rent.¹⁷ Beginning in 2008, the building of more affordable rental units will also be spurred by the Government offering customs duty relief to private sector developers for constructing such units.⁹

E. Transport and communications

36. Bermuda has very high standard transport and telecommunications sectors. There is a network of about 225 kilometres of paved public roads and 400 kilometres of private roads (see also A/AC.109/2006/6, para. 25). Bermuda also has one of the highest road traffic densities in the world, with approximately 100 vehicles per kilometre of paved road.¹⁸

37. In 2007 vehicle registration and licensing generated US\$ 27,777,442, a major source of revenue for the territorial Government. Restrictions on car ownership to one per household, coupled with a policy of allowing no rental cars, have resulted in the development of an excellent and well-utilized group transportation system. The Government's intention to phase in free bus and ferry fares for Bermudians was also recently announced.⁹ In mid-2007, a 15-minute headway was implemented on the island's four main bus routes, meaning that the waiting time for passengers in either direction would never exceed 15 minutes. That bus service was made available from 6 o'clock in the morning until midnight to aid in decongestion and to minimize the risk of drunk-driving by individuals.¹⁹

¹⁷ Information transmitted by the administering Power, 9 January 2008.

¹⁸ The Search for Clean Air; 2004 annual report of the Bermuda Biological Station for Research (www.bbsr.edu/pubs/ar04/ar04.html).

38. According to the territorial Government, the development of waterborne transport is an important element in the continued economic development of Bermuda. The Government took delivery in August 2006 of a 350-passenger catamaran ferry, which provides an alternative for the 13-mile commuter run from St. George at the eastern end of Bermuda to downtown Hamilton in the middle of the main island.¹⁹ In September 2007, the sixth high-speed vessel acquired by Bermuda since its ferry system was created in 1999 arrived.²⁰ These state-of-the-art boats have been used to provide service from ferry docks, where parking, shelter and other amenities are provided to commuters.

39. In terms of administrative arrangements, the Territory's Ministry of Tourism and Transport, consisting of eight departments, is responsible for land, sea and air transportation, including public bus and ferry service, private transportation oversight (public service and community service vehicles), marine navigation, air operations, motor vehicle licensing and registration and civil aviation and maritime administration. The Ministry is also responsible for the Department of Tourism.⁴

40. Bermuda has its own air and ship regulatory agencies. Both the Department of Civil Aviation and the Department of Maritime Administration maintain registries, and are considered to be as stringent as comparable agencies in the United Kingdom and the United States.⁴ Automation of the Aircraft and Registration System to accommodate the continued growth of the register of aircraft will be completed during the fiscal year 2008/2009.⁵

41. The Bermuda International Airport has undergone significant improvements since 2000. There are numerous regular flights between Bermuda and a number of destinations. The work on the runways and aprons at the Airport, for which US\$ 7.5 million has been allocated, will continue throughout 2008/2009.⁶ Bermuda has daily scheduled commercial flights to and from Boston, New York, Newark, Philadelphia, Toronto and Washington, D.C. A United Kingdom-based "budget airline" began twice-weekly flights between London's Gatwick Airport and Bermuda in June 2007, and during the summer season additional carriers are added to accommodate other gateway locations.²¹

42. In terms of communications infrastructure, in the pursuit of a niche market that will put a minimal burden on Bermuda's infrastructure, the Government is currently developing a regulatory framework designed to encourage global satellite companies to use Bermuda as their jurisdiction of choice for the administration of satellite network filings.²² According to information provided by the administering Power, Bermuda's Satellite Network initiative has two components: the commercialization of the orbital slots allocated by the United Nations in 1983; and the development of a Satellite Network Administration. With respect to the first, Bermuda has submitted, through the United Kingdom, a proposal to the International Telecommunication Union to modify its primary orbital slot. The original allocation was designed to provide service to Bermuda only; but since this is not economically viable for a country of this size, the proposed modification seeks to serve both the United States and Bermuda. The progress of that proposal has been complicated by a separate proposal submitted by the United Kingdom on

¹⁹ *Journal of the Maritime Industry*, 22 March 2007, www.professionalmariner.com.

²⁰ www.theroyalgazette.com, 8 September 2007.

²¹ Bermuda Airline and Travel, www.bermuda.com/travelcenter, 21 February 2008.

²² Speech from the Throne 2008, 1 February 2008, www.gov.bm.

behalf of a Crown Dependency for a similar network, potentially affecting Bermuda's allocation.

43. The second component of the initiative, the development of the legislative framework for the administration of satellite networks, is well under way. The first part of that framework was the extension of the United Kingdom Outer Space Act 1986 (through the Outer Space Act 1986 (Bermuda) Order 2006) in December 2006. This allows Bermuda to accept applications for submission to the relevant United Kingdom authority for the issuance of licences authorizing the physical launch of a satellite. The second part, the most significant, is the creation of a Satellite Network Filing Administration, which establishes the regulatory framework for satellite networks filed through Bermuda. The applicable legislation, the Satellite Network Notification and Coordination Regulations 2007, came into force in November 2007. The final part is the assessment of the feasibility of resurrecting a satellite tracking station on a small portion of the land that was once used by the United States to track satellite launches during the 1970s and the 1980s. Interest has been shown by a number of satellite operators who are at various stages of conducting their own analysis.

44. The development of a policy proposal for the reform of Bermuda's telecommunications regulatory environment continued during 2007. Additional consultations were held, which narrowed the focus of prior consultations and also sought to obtain the views of the general public and engage them in the process. The Ministry of Energy, Telecommunications and E-Commerce has been provided with a budget of US\$ 12.4 million for the fiscal year 2008/2009.⁸

V. Social conditions

A. General

45. Various socio-economic inequalities continue to exist in Bermuda. According to the administering Power, the Territory continues to address the issue of racial equality through the publication of statistics on workforce demographics, education and training and new proposals for legislation, addressed below.⁹

46. The territorial Government plans to implement programmes to address housing, education, health care, and quality of life issues of the Territory's youth and elderly. Programmes to address alcohol and drug abuse are being crafted, and will be guided by the National Strategy developed by the Department of National Drug Control. The territorial Government also intends to address rising crime and to institute innovative race relations programmes.

47. The territorial Ministry for Culture and Social Rehabilitation has established a Cross Ministry Initiative Team to focus on implementing solutions to the challenges that exist in the community. According to the Government, the Team has had significant success in providing immediate intervention and access to treatment for needy families. For the 2008/2009 fiscal year funding has been provided to enable the Team to assist up to 40 families in need of its integrated service.¹⁰

48. The needs of the elderly will form a major component of public policy in terms of the provision of public and private care services, given Bermuda's evolving demographic profile of fewer children, more elderly and an older workforce.¹¹

According to the 2008/2009 budget, the territorial Government has made provisions to increase pension benefits in the Contributory Pension Fund by 5 per cent and prescription drug benefits for seniors are to increase by 6.75 per cent.⁹ In 2007, benefits for war veterans were increased by an appreciable extent; specifically, medical, dental and pension benefits were enhanced, with the pension benefit being doubled, from US\$ 400 to US\$ 800 per month.¹⁰ In the 2008 Speech from the Throne, the Governor announced that free childcare for qualifying families would be provided for children under 4 years of age. The territorial Government has earmarked US\$ 1.5 million for the day-care programme for the 2008/2009 fiscal year.¹¹

B. Labour

49. Preliminary results from the Annual Employment Survey point to a possible peak in employment levels in 2007. The total number of jobs was recorded at 29,832, up from 29,646 in 2006. The year-over-year increase was less than one half of a per cent in 2007, following an increase of 1.9 per cent in 2006. According to the latest available statistics, around 30 per cent of the labour force comprised expatriate workers. The unemployment rate is estimated to be approximately 3 per cent.¹²

50. Financial services continued to be the leading contributor to the growth of the economy. That was especially true of international business which, in expanding by 4 per cent, generated an additional 198 jobs. The real estate sector rebounded from a decline in jobs recorded in 2006, posting the second largest increase in the number of jobs in 2007, with an additional 96 posts. Other sectors that showed growth in 2007 were finance and business services. The public sector maintained relative stability in 2007 with an employment level of just over 4,050 jobs. In contrast to other sectors, construction, retail, transport and communications, and manufacturing all showed a reduction in jobs in 2007.¹³

51. During 2008 the territorial Government will continue its focus on achieving a flexible and responsive labour market that has the necessary incentives to encourage adequate training and development opportunities for the local workforce.¹⁴ For instance, to enhance training and employment opportunities for Bermudians, the Government will require employers in some job categories to hire a minimum number of trainees or apprentices in order for the employers to qualify for work permits.¹⁵

52. As mentioned in paragraph 49 above, one third of the workforce in 2006 consisted of expatriate workers. A rollover policy for expatriate workers became effective in April 2007. The term limit is set at six years, at which point the guest worker must leave the Territory for two years before taking up residency again. The policy's aim is to control the long-term growth of the population, which has been expanding since the early 1970s when the Territory's economy started to boom.¹⁶

53. According to the administering Power, surveys have shown that many among the black population believe they suffer racial discrimination in the workplace, particularly in senior management roles in the international business sector, which is dominated by white overseas workers. Regulations requiring every company with 10 employees or more to present detailed demographics on its racial make-up,

including information on hiring, firing, benefits and promotions, are a central part of the social policies of the current Government.⁴

54. A 2006 Review of the Workforce Survey, which is undertaken and published annually by the Commission for Unity and Racial Equality (CURE), reinforces the view that representation of the black Bermudian workforce remains significantly skewed. While blacks represent 55 per cent of the workforce and of the overall population of Bermuda, they continue to be underrepresented in the senior/executive and mid-management positions and income levels and overrepresented in the non-professional employment levels.⁴

55. The territorial Government's initiatives addressing race relations are set out in paragraphs 65 and 67 below.

C. Education

56. Education in Bermuda is compulsory for all children from 5 to 16 years of age and is free in Government schools. There are also private schools. The literacy rate in the Territory is considered high: 98 per cent of males and 99 per cent of females 15 years of age and over can read and write. The public school system includes 2 senior secondary schools, 5 middle schools, 18 primary schools, 12 preschools and 2 special schools. High school graduates are prepared for further studies at the Bermuda College or at institutions abroad, mainly in the United States, Canada and the United Kingdom. For 2008/2009, the Ministry of Education was provided with a budget of US\$ 143 million.⁹ Since 2007, citizens from the Overseas Territories have benefited from the home student fee rate at English universities.²³

57. As previously reported (see A/AC.109/2006/6, para. 34), the 2000 census revealed a serious disparity between the proportion of white students going to private schools (three quarters) and black students enrolled in the Government educational system. The quality of education at Bermuda's public schools is a frequent issue in the media, as only about half of the students attending public schools are estimated to graduate from high school.²⁴ In response, in February 2007, the territorial Government commissioned a report on the state of the public school system. The report has led to the creation of an Interim Board that is charged with overseeing a restructuring of the system.

58. Both of Bermuda's senior schools offer a broad range of subjects, with a view to ultimately achieving 102 credits after four years in order to be awarded the Bermuda School Certificate. Senior schools offer external examinations (General Certificate of Secondary Education) in various subjects, with the Ministry underwriting the costs of examinations written in the core areas.

59. The design and technology programme at the senior level was modified in order to ensure students are exposed to courses related to technical arts. Students participate in National Centre for Construction Education and Research courses, which are considered to be more relevant in terms of delivering meaningful content and certification opportunities to students. Participation in the National Centre

²³ www.fco.gov.uk, 23 November 2006, Lord Triesman, Overseas Territories Minister, eighth annual meeting of the Overseas Territories Consultative Council on 21 and 22 November.

²⁴ *The Royal Gazette*, 25 November 2005.

coursework also facilitates transition to the Bermuda College, where students can take more advanced courses.

60. According to information provided by the administering Power, the Bermuda College is the main educational facility that offers tertiary education in Bermuda. The College receives a grant from the Bermuda Government, and its operations are overseen by a Board of Governors. In 2007, the Bermuda College welcomed its first female president. The College normally charges fees for attendance, but it is intended that as of September 2008, students who enter the Bermuda College from one of the local senior schools and who enrol in an approved course of study at the College will not have to pay any tuition.

D. Health

61. Population projections continue to indicate that two major demographic phenomena will dominate Bermuda in the future years: an ageing population and a low fertility level. Life expectancy at birth is 80 years for women and 75 years for men. However, as previously reported, life expectancy among blacks in Bermuda is nearly four years shorter than for whites.²⁵ Population projections indicate that the annual growth rate will be less than one tenth of 1 per cent by the year 2015 and negative by the year 2030.⁴

62. As previously reported (see A/AC.109/2006/6, para. 7), there is no comprehensive publicly funded health insurance, although hospitalization insurance is mandatory for all employed or self-employed persons. Nonetheless, insurance coverage is nearly universal, and some persons are insured by more than one provider. The Territory's two hospitals, the King Edward VII Memorial Hospital and the Mid-Atlantic Wellness Institute, are operated by the Bermuda Hospitals Board, a statutory body financed by the Government.²⁶

63. Access to health care is unrestricted through the general hospital. However, in 2007, the Government closed a medical clinic that had catered to those persons with no or inadequate medical insurance coverage. The clients have been transferred to the Government health insurance scheme and services are provided through local physicians. Qualification is determined through criteria set by the Department of Financial Assistance.

64. For 2008/2009, the Ministry of Health was provided with a budget of US\$ 151.7 million. According to the 2008/2009 budget statement,⁹ affordable and accessible health-care facilities remained of vital concern for the territorial Government. The establishment of urgent care centres in the eastern and western parts of the Territory is aimed at partly addressing that concern. The budget statement also announced the commencement of the design and development of an urgent care centre at Southside as well as the Government's commitment to instituting "Futurecare" in 2009/2010, a programme geared towards assisting senior citizens in getting insurance coverage for their health-care needs.

²⁵ "Bermuda Health Systems and Services Profile", report prepared for the Ministry of Health and Family Services of Bermuda by Dr. Marcelo Ramella, April 2005.

²⁶ Pan American Health Organization, Bermuda country health profile, www.paho.org/english/sha/prfiber.htm.

E. Human rights and related issues

65. In 2008, a Workforce Empowerment Legislation is set to be introduced that will enhance the existing CURE legislation by mandating employers to document equality of opportunity policy and strategy.

66. CURE has engaged national partnership initiatives to fight racism and promote the elimination of racial discrimination in schemes sponsored by Citizens Uprooting Racism in Bermuda, a grass-roots non-governmental organization; and partnered with the Cabinet of the Government of Bermuda in organizing the Bermuda Race Relations Initiative. The so-called Big Conversation engaged Bermuda in dialogue on race twice monthly over the period from March to November 2007.

67. A National Race Relations Strategy has been proposed, incorporating findings from a number of existing reports, including the CURE Strategy and Workforce Empowerment. That Strategy will provide a mechanism for dialogue, consultation and agreement on Bermuda's official position on race and racism. Human rights legislation is also being reviewed.

F. Crime

68. According to the budget statement for 2008/2009,⁸ as delivered by Bermuda's Minister of Finance, Bermuda has recently experienced an unprecedented spike in crime. To stem the tide of violence, a higher police presence and proactive policing measures are being put in place. Bermuda has a police force of approximately 450 full-time officers and several hundred part-time police reserves. Recruitment continues to be a challenge, but the Commissioner of Police and his senior staff have now made recruitment both locally and from overseas a priority.

69. As part of a larger effort to decrease the number of youth involved in criminal activity, the Government will expand the successfully implemented "Mirrors" programme, designed to help young people between 13 and 21 years of age to redirect their energies to more positive pursuits. In 2007, US\$ 500,000 was earmarked for the programme, which is carried out by highly trained course leaders supported by a team of skilled professionals. They work with the participants in the programme to help them to work towards a higher sense of self-worth and self-esteem, in turn empowering them to achieve their goals in life. With an additional US\$ 1 million allocated for 2008/2009, the programme will be broadened to include two intensive residential sessions.⁹

70. According to the latest statistics, in 2006, a total of 2,637 crimes were reported in the areas of violence, theft and burglary. At the end of the second quarter of 2007, some 1,400 crimes were reported.¹⁰ The Police budget was increased by 10 per cent, to US\$ 62.8 million for the 2008/2009 fiscal year to fund programmes and initiatives such as those mentioned above.¹¹ The Ministry of Justice has been provided with a budget of US\$ 24.9 million for the same period and a newly established Financial Intelligence Agency was allocated US\$ 500,000.¹²

⁸ <http://www.bermudapolice.bm/>.

71. An anti-gang initiative, first implemented during 2006, continues to be developed and applied, aiming to obtain a full understanding of the extent of the gang problem in Bermuda.⁴

72. On the issue of illegal residency, in common with many attractive jurisdictions, Bermuda experiences the problem of persons residing illegally in the Territory, most through overstaying. According to the administering Power, the Compliance Section of the Department of Immigration works closely with the Bermuda Police Service in an effort to apprehend such individuals. When these persons are found, they are deported and their names placed on Bermuda's "stop list". Employers risk punishment if they are found to be employing people without work permits or if they allow employees to engage in work that is outside the parameters of their work permits. In addition to the penalties available in law, persons who employ individuals who are in Bermuda illegally risk being denied the right to hold future work permits or of having existing work permits revoked.⁴

73. In terms of legislative developments on the protection of children, the Criminal Code Amendment (No. 2) Act 2006 was passed by the House of Assembly in December 2006 to protect children from being sexually exploited or being preyed upon for sexual purposes by way of, but not limited to, the Internet environment. The Act addressed areas such as producing, possessing and distributing child-abusive material or child pornography; showing child-abusive material or child pornography to a child; Internet-luring; and the use of children in the production of child-abusive material or child pornography.

G. Environment

74. Under the 2008/2009 budget, the Ministry of the Environment and Sports was provided with a budget of US\$ 43.3 million.⁹ One of the key business objectives for the Ministry in 2008/2009, according to the territorial Government, is to complete major reviews of its business processes and the underlying legislation, with the intention of speeding up the planning approval process. The Ministry, during the period under review, has focused on a number of key remediation projects including the redesign of the Formal Gardens of the Botanical Gardens in Paget. In addition, restoration continued on Fort St. Catherine, the main fort in the park system, one of 90 forts across the Island. Both landmarks are part of the World Heritage Site of St. George's.

75. The Bermuda Turtle Project hosted the eleventh annual International Course on the Biology and Conservation of Sea Turtles, in August, 2007. There were 10 participants from Argentina, Bermuda, Portugal, St. Kitts and Nevis, St. Martin, St. Vincent, the United States, Uruguay and the Bolivarian Republic of Venezuela. The project continues to be successful in making a significant contribution to training turtle biologists from that part of the world.

76. A major focus of the Department of Planning of the Ministry of the Environment was the development of the New Bermuda Plan. The vision of the Plan is to effectively manage the environment and resources of Bermuda in a sustainable way. The Government's "Charting Our Course" Sustainable Development Strategy and Implementation Plan provide the strategic environmental, economic and social policy framework for the New Bermuda Plan, which is expected to be completed and released early in 2008.

77. The Ministry will also roll out a new recycling campaign during 2008. A 500,000 gallons per day Seawater Reverse Osmosis plant is scheduled to begin operations in mid-2008. In addition, the Ministry will continue work on the old Marsh Folly landfill to convert it into green space, a nature reserve and recreational use.²⁹

VI. Military issues

78. Bermuda maintains a defence regiment of some 600 part-time soldiers. The adult male population is subject to conscription, involving three years' part-time liability for weekly drills, as well as an annual camp.⁴

VII. Relations with international organizations and partners

79. Bermuda is an associate member of the Caribbean Community and Common Market. Information on United Nations system activities involving Bermuda, including on the applicability of international labour conventions and international labour recommendations, is contained in document E/2006/47.

80. At the Overseas Territories Consultative Council meeting, held in London on 4 and 5 December 2007, the United Kingdom and the Overseas Territories represented at the Council, including Bermuda, agreed to extend the United Nations Convention against Corruption, to all the Overseas Territories at the earliest opportunity. They also set a target date of June 2008 for the extension of the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (International Labour Organization Convention No. 182) and December 2008 for the extension of the Convention on the Elimination of All Forms of Discrimination against Women, to all the Overseas Territories.²⁸

VIII. Future status of the Territory

A. Position of the territorial Government

81. Developments regarding discussions on the future status of Bermuda are reflected in section II above.

B. Position of the administering Power

82. In a statement made on 11 October 2007 at the 5th meeting of the Special Political and Decolonization Committee (Fourth Committee), during the sixty-second session of the General Assembly (see A/C.4/62/SR.5), the representative of the United Kingdom *inter alia* said that "her Government, as administering Power for 10 Non-Self-Governing Territories, gave every help and encouragement to those Territories which wished to proceed to independence, where that was an option. Her

²⁸ Information provided by the administering Power on 9 January 2008; Press release on www.fco.gov.uk, 6 December 2007.

Government and its overseas territories continued to work towards the shared goals of security, stability and sustainable political and economic development, democracy, good governance and the rule of law. ... Her Government carefully considered all proposals for constitutional change received from the Territories."

83. As previously reported (see A/AC.109/2007/3) in a statement made on 24 April 2006, the United Kingdom Overseas Territories Minister took stock of the relationship between the United Kingdom and the Overseas Territories seven years on from the 1999 White Paper entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories".²⁹ An elaboration of the United Kingdom's position on alternative forms of relationship, as set out in United Nations General Assembly resolution 1541 (XV), has been previously provided (*ibid.*).

C. Action taken by the General Assembly

84. On 17 December 2007, the General Assembly adopted resolutions 62/118 A and B without a vote, based on the report of the Special Committee transmitted to the General Assembly³⁰ and its subsequent consideration by the Special Political and Decolonization Committee (Fourth Committee) (A/62/412). Section III of resolution 62/118 B concerns Bermuda. Under that section's operative paragraphs, the General Assembly:

"1. *Stresses* the importance of the 2005 report of the Bermuda Independence Commission, which provides a thorough and meticulous examination of the facts surrounding independence, and regrets that the plans for public meetings and the presentation of a Green Paper to the House of Assembly followed by a White Paper outlining the policy proposals for an independent Bermuda have so far not materialized;

"2. *Decides* to follow closely the developments concerning the future political status of Bermuda under way in the Territory, and calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested, in the context of its public education programme."

²⁹ "Partnership for Progress and Prosperity: Britain and the Overseas Territories", White Paper submitted to the House of Commons on 17 March 1999, by the United Kingdom Secretary of State for Foreign and Commonwealth Affairs; reproduced in A/AC.109/1999/1, annex.

³⁰ *Official Records of the General Assembly, Sixty-second Session, Supplement No. 23 (A/62/23).*